

	London Borough of Hammersmith & Fulham CABINET 13 MAY 2013
DELEGATED AUTHORITY TO EXTEND SUPPORTING PEOPLE CONTRACTS	
Report of the Cabinet Member for Community Care, Councillor Marcus Ginn; and the Cabinet Member for Children’s Services, Councillor Helen Binmore	
Open Report A separate report on the exempt Cabinet agenda provides exempt information relating to current contracts.	
Classification - For Decision Key Decision: YES	
Wards Affected: All	
Accountable Executive Director: Rachel Wigley Interim Executive Director of Adult Social Care	
Report Author: Julia Copeland Commissioning Manager for Supported Housing	Contact Details: Tel: 020 8753 1203 E-mail: julia.copeland@lbhf.gov.uk

1. EXECUTIVE SUMMARY

- 1.1. In order to streamline the approval processes and to enable officers to focus on delivering further service improvements and efficiencies, this report asks the Cabinet to delegate the authority to extend a contract where there is an option to do so, or vary the contractual terms in order to extend the contract period, for the housing support contracts listed in Appendices 1 and 2 and any future contracts called off the West London Housing Related Support Framework 2012-16 (the Framework) to the Cabinet Member for Community Care.
- 1.2. Delegated authority to the Cabinet Member for Community Care and the Cabinet Member for Children’s Services is sought to extend a contract where there is an option to do so, or vary the contractual terms in order to extend the contract period for the housing support contracts listed in appendix 3 and any future young people leaving care service contracts called off the Framework.

- 1.3. Contracts 1 to 11 in Appendix 1, contracts 1-11 in Appendix 2 and contracts 1-3 in Appendix 3 (in the separate exempt report) are let for an initial period of three years with the option to extend for a further two periods of one year each. In order to deliver further savings and service improvements officers would like to utilise the extension provisions in the contracts as part of the wider H&F housing support services commissioning and procurement plan.
- 1.4. The extension provisions in contracts 12 to 31 in Appendix 1 (exempt report) have been exhausted and there are no extension provisions in contracts 32 & 33; the plan is to procure the majority of these services from the Framework. It may be necessary to extend these contracts by varying the contract term in the event of any delays to the procurement process of calling off the Framework or delays to any other procurement exercise outside of the Framework.
- 1.5. As the majority of the contracts are over £100,000, per annum it will be necessary to seek Cabinet approval to extend or vary the contractual terms in order to extend the contract period at frequent intervals during the period 2013-16.

2. RECOMMENDATIONS

- 2.1 That authority be delegated to the Cabinet Member for Community Care, in conjunction with the Executive Director of Adult Social Care and the Executive Director of Finance and Corporate Governance, to extend a contract where there is an option to do so, or vary the contractual terms in order to extend the contract period for:
 - i. All existing housing support contracts listed in Appendix 1 of the exempt report; and
 - ii. All contracts called-off the West London Housing Support Framework Agreement 2012-16, including those already called-off listed in appendix 2 of the exempt report.
- 2.2 That authority be delegated to the Cabinet Member for Community Care and the Cabinet Member for Children's Services, in conjunction with the Executive Director of Children's Services and the Executive Director of Finance and Corporate Governance, to extend a contract where there is an option to do so, or vary the contractual terms in order to extend the contract period for:
 - i. All existing supported housing contracts for young people leaving care, listed in Appendix 3 of the exempt report; and
 - ii. Any future contracts for young people leaving care that are called off the Framework.

- 2.3 That each of the proposed Cabinet Member Decision reports seeking approval to extend or vary a contract as set out in recommendations 2.1 and 2.2 above shall detail the financial, legal and procurement implications and include details of savings and service improvements.

3. REASONS FOR DECISION

- 3.1 Officers work with providers throughout the year to ensure that they are delivering high quality services, responding to emerging needs and offering continuous improvement whilst achieving the best value for the Council. Through this, we are able to achieve significant savings and vary contracts to ensure their continued strategic relevance. It is important that any agreed changes to services are effected in a timely way in order to maximise opportunities financial or otherwise.
- 3.2 In order to streamline the processes required to extend a contract where there is provision or vary the contractual term to extend a contract, we are recommending that the authority to extend the housing support contracts set out in section 2.1 above, be delegated to the Cabinet Member for Community Care and for the contracts set out in 2.2 above to the Cabinet Member for Community Care and the Cabinet Member for Children's Services. This will enable officers to concentrate on key activities that are essential to delivering savings and service improvements.
- 3.3 Furthermore, the Council intends to use the recently established West London Housing Support Framework 2012-16 to procure the majority of new contracts over the period 2013-16. Contracts 11 & 12 are unlikely to be procured from the Framework, as one is a community alarm service and the other an extra care sheltered service. On 5 March 2012, Cabinet delegated the authority to award all contracts procured from the West London Framework Agreement to the Cabinet Member for Community Care in conjunction with the Executive Director of Adult Social Care and the Executive Director of Finance and Corporate Governance. Therefore, if approved, the recommendations in this report will align all the approval processes for housing support contracts and will enable the Cabinet Member for Community Care to have a complete overview of the commissioning and procurement activity for housing support contracts.

4. INTRODUCTION AND BACKGROUND

- 4.1 Housing support services, commonly referred to as Supporting People services assist a wide range of vulnerable individuals and families to develop and maintain their independence in the community and increase social inclusion. The responsibility for the commissioning, contracting and procurement of housing support services transferred to local authorities in

2003, with the inception of the Supporting People programme. Since 2006, there has been significant commissioning and procurement activity in the supported housing programme; the number of contracts has reduced from over 150 in 2005 to the current 36¹; these 36 contracts comprise approximately 70 services to over 1650 H&F residents. The housing support budget has reduced from £14.2m in 2003 to £9.2m in 2013. From 2003-2010 all decisions to award, vary or extend contracts was delegated to the then Director of Community Services.

- 4.2 Further considerable commissioning and procurement activity will be necessary over the period 2013-16 as the majority of existing contracts will expire during this period and Cabinet approval will be required to extend these contracts where there is provision.
- 4.3 In many cases, new contracts will need to be re-procured from the West London Framework Agreement. Due to the complexities of the tender processes, delays can occur and it can be necessary at short notice to extend contracts to maintain service continuity to vulnerable residents whilst we conclude the procurement activity. In these circumstances, officers have been required to seek approval to extend contracts via a Leader's Urgent Decisions on a number of occasions in the past. Delegating authority to the Cabinet Member for Community Care and the Cabinet Member for Children's Services, where relevant would obviate Leader's Urgent Decisions in these circumstances, in the future.

4. PROPOSAL AND ISSUES

- 4.1. In line with the Contract Standing Orders and Financial Regulations, currently officers are required to obtain Cabinet approval to extend or vary a contract where the value of the extension or new business is £100,000 or more.
- 4.2. Officers will be required to seek Cabinet approval to extend a contract where there is provision or vary the contractual terms in order to extend housing support contracts at frequent intervals during 2013-2016, for the following reasons:
- i. Where there is provision to extend in the contract, separate Cabinet approval is required to issue each of the extension periods, where the value of the extension is £100,000 or more; there are 25 contracts listed in appendices 1-3, which still have extension provisions.
 - ii. All the current 36 housing support contracts listed in Appendices 1& 3 in the exempt report will expire during the lifetime of the West London Framework Agreement 2012-16.

¹ In addition to these 36 contracts listed in appendices 1 and 3, there are three council managed contracts where there are service level agreements in place and two Extra Care Sheltered 25 year contracts.

- iii. Due to the volume of contracts expiring during the period 2013-16, there will be considerable procurement and commissioning activity during this time. Although it is always officers' ambition to complete procurement and commissioning projects on time, due to the nature of the services and complexities of the tender processes unfortunately, delays can occur and it may be necessary to extend a contract where there is provision or vary the contractual terms in order to extend to maintain service continuity whilst we conclude activities.

5. OPTIONS AND ANALYSIS OF OPTIONS

- 5.1 For the reasons outlined in this report, delegating the authority to the Cabinet Member for Community Care to extend the contracts set out in recommendation 2.1 and to the Cabinet Members for Community Care and Children's Services for the contracts set out in recommendation 2.2 where there is provision or vary the contractual term in order to extend where there is not provision, will enable officers to focus more on key activities to deliver savings and service improvements, in future.
- 5.2 Furthermore, as approved by Cabinet, the Cabinet Member for Community Care already has the delegated authority to award all new housing support contracts from the West London Framework Agreement 2012-16. The recommendations contained in this report therefore will align all the approval processes for existing and future housing support contracts called off the Framework.
- 5.3 The recommendations do not seek approval for a blanket delegation of authority to extend all housing support contracts indefinitely. The delegated authority is restricted to existing contracts included in Appendices 1 -3 of the exempt report and any other contracts called off the West London Housing Support Framework Agreement 2012-16.
- 5.4 All future recommendations to extend a contract where there is provision or to vary the contractual term order to extend a contract will have been approved by the Tri-Borough Adult and/or Children's Contracts and Commissioning Board prior to seeking Cabinet Member approval. All Cabinet Member Decision reports recommending an extension or variation will include finance, procurement and legal comments.

6. CONSULTATION

- 6.1. No consultation has been carried out in relation to the recommendations contained in this report.

7. EQUALITY IMPLICATIONS

- 7.1. There is no equality implications associated with the recommendations contained in this report.

8. LEGAL IMPLICATIONS

- 8.1. It is noted that it is recommended to delegate authority to vary in order to extend and extend existing housing support contracts and contracts called off the West London Housing Support Framework Agreement 2012-16 to the Cabinet Member for Community Care and the Cabinet Member for Children's Services, where relevant for the reasons set out in this report.
- 8.2. There are no direct legal implications from this recommendation.
- 8.3. Implications verified/completed by: Cath Irvine, Senior Contracts Lawyer,

9. FINANCIAL AND RESOURCES IMPLICATIONS

- 9.1. The recommendation to delegate authority to the Cabinet Member for Community Care and Cabinet Member for Children's Services (where relevant) to extend a contract where there is an option to do so or vary the contractual terms in order to extend the contracts for all those contracts listed in Appendices 1-3 is in line with the previous Cabinet decision to delegate to the Cabinet Member for Community Care authority to award all new housing support contracts from the West London Framework Agreement 2012-16. This report's recommendations therefore align all the approval processes for all existing and future housing support contracts called off the Framework.
- 9.2. There are no direct financial implications from this report's proposals.
- 9.3. Implications verified/completed by: (Cheryl Anglin-Thompson, Principal Accountant,

10. RISK MANAGEMENT

- 10.1. There are no direct risks associated with this recommendation.
- 10.2. Implications verified/completed by: Julia Copeland, Supported Housing Commissioning Manager

11. PROCUREMENT AND IT STRATEGY IMPLICATIONS

- 11.1 The Director supports the recommendations in the circumstances described above that the extension of a contract where there is still an option to extend and/or varying the contractual terms in order to extend the contract

period is delegated to the Cabinet Member(s). Detailed procurement comments relating to each contract will be provided in subsequent Cabinet Member reports.

- 11.2 Implications verified/completed by Joanna Angelides, Procurement Consultant, Tel No 020 8753 2586 5th April 2013

LOCAL GOVERNMENT ACT 2000
LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	Cabinet Report – 5/3/12 (published)	Jenny Platt	Tri-B ASC